

<i>SERFF Tracking Number:</i>	<i>AMLX-125844575</i>	<i>State:</i>	<i>Arkansas</i>
<i>Filing Company:</i>	<i>American Alternative Insurance Corporation</i>	<i>State Tracking Number:</i>	<i>EFT \$50</i>
<i>Company Tracking Number:</i>	<i>BO AR0241701F01</i>		
<i>TOI:</i>	<i>05.0 Commercial Multi-Peril - Liability & Non-</i>	<i>Sub-TOI:</i>	<i>05.0002 Businessowners</i>
	<i>Liability</i>		
<i>Product Name:</i>	<i>Businessowners Self Storage Program</i>		
<i>Project Name/Number:</i>	<i>2008 Regulatory Revisions/BO AR0241701F01</i>		

Filing at a Glance

Company: American Alternative Insurance Corporation

Product Name: Businessowners Self Storage Program SERFF Tr Num: AMLX-125844575 State: Arkansas

TOI: 05.0 Commercial Multi-Peril - Liability & Non-Liability SERFF Status: Closed State Tr Num: EFT \$50

Sub-TOI: 05.0002 Businessowners Co Tr Num: BO AR0241701F01 State Status: Fees verified and received

Filing Type: Form Co Status: Reviewer(s): Betty Montesi, Llyweyia Rawlins

Author: SPI Disposition Date: 10/06/2008

AmericanAlternativeInsurance

Date Submitted: 10/03/2008 Disposition Status: Approved

Effective Date Requested (New): 02/01/2009 Effective Date (New): 02/01/2009

Effective Date Requested (Renewal): Effective Date (Renewal): 02/01/2009

State Filing Description:

General Information

Project Name: 2008 Regulatory Revisions

Project Number: BO AR0241701F01

Reference Organization:

Reference Title:

Filing Status Changed: 10/06/2008

State Status Changed: 10/06/2008

Corresponding Filing Tracking Number:

Filing Description:

This filing applies to our Self-Storage Businessowners Program which is currently on file with your department.

Status of Filing in Domicile:

Domicile Status Comments:

Reference Number:

Advisory Org. Circular:

Deemer Date:

The purpose of this filing is to revise our Arkansas Changes Endorsement MP 6027-0, in order to comply with Arkansas

SERFF Tracking Number: AMLX-125844575 State: Arkansas
Filing Company: American Alternative Insurance Corporation State Tracking Number: EFT \$50
Company Tracking Number: BO AR0241701F01
TOI: 05.0 Commercial Multi-Peril - Liability & Non- Sub-TOI: 05.0002 Businessowners
Liability
Product Name: Businessowners Self Storage Program
Project Name/Number: 2008 Regulatory Revisions/BO AR0241701F01

General Code Sect. 16-56-111 regarding legal action against any insurer.

We propose that this filing apply to all policies effective on or after February 1, 2009.

Please feel free to contact me with any questions.

Thank You,
Beth MacDougall, CPCU
Project Employee
bmacdougall@munichreamerica.com

Company and Contact

Filing Contact Information

Beth MacDougall, Project Employee bmacdougall@munichreamerica.com
555 College Road East (215) 702-9828 [Phone]
Princeton, NJ 08543-5241 (609) 951-8285[FAX]

Filing Company Information

American Alternative Insurance Corporation CoCode: 19720 State of Domicile: Delaware
555 College Road East Group Code: 361 Company Type:
Princeton,, NJ 08543-5241 Group Name: Munich Re Group State ID Number:
(800) 305-4954 ext. [Phone] FEIN Number: 52-2048110

Filing Fees

Fee Required? Yes
Fee Amount: \$50.00
Retaliatory? No
Fee Explanation: E check no. 1700000696
Date 10/3/08
Amt \$50
Per Company: No

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
American Alternative Insurance Corporation	\$50.00	10/03/2008	22910281

SERFF Tracking Number: *AMLX-125844575* *State:* *Arkansas*
Filing Company: *American Alternative Insurance Corporation* *State Tracking Number:* *EFT \$50*
Company Tracking Number: *BO AR0241701F01*
TOI: *05.0 Commercial Multi-Peril - Liability & Non- Liability* *Sub-TOI:* *05.0002 Businessowners*
Product Name: *Businessowners Self Storage Program*
Project Name/Number: *2008 Regulatory Revisions/BO AR0241701F01*

Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Approved	Llyweyia Rawlins	10/06/2008	10/06/2008

SERFF Tracking Number:	AMLX-125844575	State:	Arkansas
Filing Company:	American Alternative Insurance Corporation	State Tracking Number:	EFT \$50
Company Tracking Number:	BO AR0241701F01		
TOI:	05.0 Commercial Multi-Peril - Liability & Non-Sub-TOI:		05.0002 Businessowners Liability
Product Name:	Businessowners Self Storage Program		
Project Name/Number:	2008 Regulatory Revisions/BO AR0241701F01		

Disposition

Disposition Date: 10/06/2008
Effective Date (New): 02/01/2009
Effective Date (Renewal): 02/01/2009
Status: Approved
Comment:

Rate data does NOT apply to filing.

SERFF Tracking Number: AMLX-125844575 State: Arkansas

Filing Company: American Alternative Insurance Corporation State Tracking Number: EFT \$50

Company Tracking Number: BO AR0241701F01

TOI: 05.0 Commercial Multi-Peril - Liability & Non- Sub-TOI: 05.0002 Businessowners Liability

Product Name: Businessowners Self Storage Program

Project Name/Number: 2008 Regulatory Revisions/BO AR0241701F01

Item Type	Item Name	Item Status	Public Access
Supporting Document	Uniform Transmittal Document-Property & Casualty	Approved	Yes
Supporting Document	AR - CERTIFICATE OF COMPLIANCE - (AID PC SelfCert (4/30/03))	Approved	Yes
Supporting Document	MP 6027-0 - Marked Changes	Approved	Yes
Form	Arkansas Changes	Approved	Yes

SERFF Tracking Number: AMLX-125844575 State: Arkansas

Filing Company: American Alternative Insurance Corporation State Tracking Number: EFT \$50

Company Tracking Number: BO AR0241701F01

TOI: 05.0 Commercial Multi-Peril - Liability & Non- Sub-TOI: 05.0002 Businessowners Liability

Product Name: Businessowners Self Storage Program

Project Name/Number: 2008 Regulatory Revisions/BO AR0241701F01

Form Schedule

Review Status	Form Name	Form #	Edition Date	Form Type Action	Action Specific Data	Readability	Attachment
Approved	Arkansas Changes	MP 6027-0	(02-09)	Endorsement/Amendment/Conditions Replaced	Replaced Form #:0.00 MP 6027-0 Previous Filing #: BO AR0187201F01		MP 6027-0.PDF

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ARKANSAS CHANGES

This endorsement modifies insurance provided under the following:

SELF STORAGE OWNERS BUSINESSOWNERS COVERAGE FORM

A. Section I – Special Property Coverage Form is amended by the following:

1. Paragraph **E.2. Appraisal** Property Loss Condition is replaced by the following:

2. Appraisal

- a. If we and you disagree on the value of the property or the amount of loss, either party may make a written request for an appraisal of the loss. However, an appraisal will be made only if both we and you agree, voluntarily, to have the loss appraised. If so agreed, each party will select a competent and impartial appraiser. The two appraisers will select an umpire. If they cannot agree, either may request that selection be made by a judge of a court having jurisdiction. The appraisers will state separately the value of the property and amount of loss. If they fail to agree, they will submit their differences to the umpire.
- b. An appraisal decision will not be binding on either party.
- c. If there is an appraisal, we will still retain our right to deny the claim.
- d. Each party will:
 - (1) Pay its chosen appraiser; and
 - (2) Bear the other expenses of the appraisal and umpire equally.

2. The following is added to the **Transfer Of Rights Of Recovery Against Others To Us Commercial Property Condition**:

We will be entitled to recovery only after the insured has been fully compensated for the loss or damage sustained.

3. Paragraph **F.4.b.** of the **Legal Action Against Us** Commercial Property Conditions is replaced by the following:

- b. The action is brought within five years after the date on which the direct physical loss or damage occurred.

B. Common Policy Conditions is amended as follows:

1. Paragraph **A.5. Cancellation** is replaced by the following:

5. Premium Refund

- a. If this policy is cancelled, we will send the first Named Insured any premium refund due.
- b. We will refund the pro rata unearned premium if the policy is:
 - (1) Cancelled by us or at our request;
 - (2) Cancelled but rewritten with us or in our company group;
 - (3) Cancelled because you no longer have an insurable interest in the property or business operation that is the subject of this insurance; or
 - (4) Cancelled after the first year of a prepaid policy that was written for a term of more than one year.
- c. If the policy is cancelled at the request of the first Named Insured, other than a cancellation described in **b.(2), (3) or (4)** above, we will refund 90% of the pro rata unearned premium. However, the refund will be less than 90% of the pro rata unearned premium if the refund of such amount would reduce the premium retained by us to an amount less than the minimum premium for this policy.
- d. The cancellation will be effective even if we have not made or offered a refund.
- e. If the first Named Insured cancels the policy, we will retain no less than \$100 of the premium.

2. The following is added to Paragraph **A. Cancellation**:

7. Cancellation Of Policies In Effect More Than 60 Days

- a. If this policy has been in effect more than 60 days or is a renewal policy, we may cancel only for one or more of the following reasons:
- (1) Nonpayment of premium;
 - (2) Fraud or material misrepresentation made by you or with your knowledge in obtaining the policy, continuing the policy or in presenting a claim under the policy;
 - (3) The occurrence of a material change in the risk which substantially increases any hazard insured against after policy issuance;
 - (4) Violation of any local fire, health, safety, building or construction regulation or ordinance with respect to any insured property or its occupancy which substantially increases any hazard insured against under the policy;
 - (5) Nonpayment of membership dues in those cases where our by-laws, agreements or other legal instruments require payment as a condition of the issuance and maintenance of the policy; or
 - (6) A material violation of a material provision of the policy.
- b. If we cancel for:
- (1) Nonpayment of premium, we will mail or deliver written notice of cancellation, stating the reason for cancellation, to the first Named Insured and any lienholder or loss payee named in the policy at least 10 days before the effective date of cancellation.
 - (2) Any other reason, we will mail or deliver notice of cancellation to the first Named Insured and any lienholder or loss payee named in the policy at least 20 days before the effective date of cancellation.

3. The following paragraph is added and supersedes any other provision to the contrary:

NONRENEWAL

1. If we decide not to renew this policy, we will mail to the first Named Insured shown in the Declarations written notice of nonrenewal at least 60 days before:
 - a. Its expiration date; or
 - b. Its anniversary date, if it is a policy written for a term of more than one year and with no fixed expiration date.

However, we are not required to send this notice if nonrenewal is due to your failure to pay any premium required for renewal.

2. We will mail our notice to the first Named Insured's mailing address last known to us. If notice is mailed, proof of mailing will be sufficient proof of notice.

4. The following paragraph is added:

MULTI-YEAR POLICIES

We may issue this policy for a term in excess of twelve months with the premium adjusted on an annual basis in accordance with our rates and rules.

<i>SERFF Tracking Number:</i>	<i>AMLX-125844575</i>	<i>State:</i>	<i>Arkansas</i>
<i>Filing Company:</i>	<i>American Alternative Insurance Corporation</i>	<i>State Tracking Number:</i>	<i>EFT \$50</i>
<i>Company Tracking Number:</i>	<i>BO AR0241701F01</i>		
<i>TOI:</i>	<i>05.0 Commercial Multi-Peril - Liability & Non-</i>	<i>Sub-TOI:</i>	<i>05.0002 Businessowners</i>
	<i>Liability</i>		
<i>Product Name:</i>	<i>Businessowners Self Storage Program</i>		
<i>Project Name/Number:</i>	<i>2008 Regulatory Revisions/BO AR0241701F01</i>		

Rate Information

Rate data does NOT apply to filing.

SERFF Tracking Number: AMLX-125844575 State: Arkansas
Filing Company: American Alternative Insurance Corporation State Tracking Number: EFT \$50
Company Tracking Number: BO AR0241701F01
TOI: 05.0 Commercial Multi-Peril - Liability & Non- Sub-TOI: 05.0002 Businessowners
Liability
Product Name: Businessowners Self Storage Program
Project Name/Number: 2008 Regulatory Revisions/BO AR0241701F01

Supporting Document Schedules

Satisfied -Name: Uniform Transmittal Document-
Property & Casualty **Review Status:** Approved 10/06/2008

Comments:

Attachments:

AR - NAIC P&C TRANSMITTAL DOCUMENT.PDF
AR - NAIC FORM FILING SCHEDULE.PDF

Satisfied -Name: AR - CERTIFICATE OF
COMPLIANCE - (AID PC SelfCert
(4/30/03)) **Review Status:** Approved 10/06/2008

Comments:

Cert of Compliance

Attachment:

AR - CERTIFICATE OF COMPLIANCE - (AID PC SelfCert (4_30_03)).PDF

Satisfied -Name: MP 6027-0 - Marked Changes **Review Status:** Approved 10/06/2008

Comments:

MP 6027-0; Marked Up Copy

Attachment:

MP 6027-0 - Marked Changes.PDF

Property & Casualty Transmittal Document

1. Reserved for Insurance Dept. Use Only	2. Insurance Department Use only a. Date the filing is received: b. Analyst: c. Disposition: d. Date of disposition of the filing: e. Effective date of filing: <div style="display: flex; justify-content: space-between;"> <div style="width: 45%;">New Business</div> <div style="width: 45%;"></div> </div> <div style="display: flex; justify-content: space-between;"> <div style="width: 45%;">Renewal Business</div> <div style="width: 45%;"></div> </div> f. State Filing #: g. SERFF Filing #: h. Subject Codes
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3.	Group Name	Group NAIC #
	Munich Re Group	0361

4.	Company Name(s)	Domicile	NAIC #	FEIN #	State #
	American Alternative Insurance Corporation	DE	19720	52-2048110	

5. Company Tracking Number	BO AR0241701F01
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Contact Info of Filer(s) or Corporate Officer(s) [include toll-free number]

6.	Name and address	Title	Telephone #s	FAX #	e-mail
	Beth MacDougall, CPCU 555 College Road East Princeton NJ 08543-5241	Project Employee	800-305-4954	609-951-8285	bmacdougall@munichre-america.com

7.	Signature of authorized filer	
8.	Please print name of authorized filer	Beth MacDougall, CPCU

Filing Information (see General Instructions for descriptions of these fields)

9.	Type of Insurance (TOI)	05.0 Commercial Multi-Peril - Liability & Non-Liability
10.	Sub-Type of Insurance (Sub-TOI)	05.0002 Businessowners
11.	State Specific Product code(s) (if applicable) [See State Specific Requirements]	-
12.	Company Program Title (Marketing Title)	Businessowners Self Storage Program
13.	Filing Type	<input type="checkbox"/> Rate/Loss Cost <input type="checkbox"/> Rules <input type="checkbox"/> Rates/Rules <input checked="" type="checkbox"/> Forms <input type="checkbox"/> Combination Rates/Rules/Forms <input type="checkbox"/> Withdrawal <input type="checkbox"/> Other (give description)
14.	Effective Date(s) Requested	New: 2-1-09 Renewal: 2-1-09
15.	Reference Filing?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
16.	Reference Organization (if applicable)	NA
17.	Reference Organization # & Title	NA
18.	Company's Date of Filing	10-3-08
19.	Status of filing in domicile	<input checked="" type="checkbox"/> Not Filed <input type="checkbox"/> Pending <input type="checkbox"/> Authorized <input type="checkbox"/> Disapproved

Property & Casualty Transmittal Document

20.	This filing transmittal is part of Company Tracking #	BO AR0241701F01
21.	Filing Description [This area can be used in lieu of a cover letter or filing memorandum and is free-form text]	

This filing applies to our Self-Storage Businessowners Program which is currently on file with your department.

The purpose of this filing is to revise our Arkansas Changes Endorsement MP 6027-0, in order to comply with Arkansas General Code Sect. 16-56-111 regarding legal action against any insurer.

We propose that this filing apply to all policies effective on or after February 1, 2009.

Please feel free to contact me with any questions.

Thank You,
Beth MacDougall, CPCU
Project Employee
bmacdougall@munichreamerica.com

22.	Filing Fees (Filer must provide check # and fee amount if applicable.) [If a state requires you to show how you calculated your filing fees, place that calculation below]
<p>Check #: 1700000696 (EFT) Amount: \$50</p> <p>\$50 per form.</p> <p>Refer to each state's checklist for additional state specific requirements or instructions on calculating fees.</p>	

***Refer to each state's checklist for additional state specific requirements (i.e. # of additional copies required, other state specific forms, etc.)

FORM FILING SCHEDULE

(This form must be provided **ONLY** when making a filing that includes forms)
 (Do not refer to the body of the filing for the forms listing, unless allowed by state.)

1.	This filing transmittal is part of Company Tracking #	BO AR0241701F01
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2.	This filing corresponds to rate/rule filing number (Company tracking number of rate/rule filing, if applicable)	NA
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3.	Form Name /Description/Synopsis	Form # Include edition date	Replacement Or Withdrawn?	If replacement, give form # it replaces	Previous state filing number, if required by state
01	Arkansas Changes	MP 6027-0 (02-09)	<input type="checkbox"/> New <input checked="" type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	MP 6027-0 (11-05)	BO AR0187201F01
02			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
03			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
04			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
05			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
06			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
07			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
08			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
09			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
10			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
11			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		

ARKANSAS CERTIFICATE OF COMPLIANCE

(You may print or type the information required by this form)



I, Stephen J. Corbett, Vice President of
(Name) (Title of Authorized Officer)

American Alternative Insurance Corporation
(Name of Insurer)

declare that I am authorized to execute and file this certificate of compliance and do hereby certify that I am knowledgeable of the legal requirements under Arkansas law applicable to the insurance forms that are the subject of this filing and further aver:

1. Upon information and belief, I certify that the insurance forms filed herewith are complete and comply with all Arkansas laws, including the:

- Arkansas Code Annotated;
- Arkansas Rules and Regulations;
- Arkansas Insurance Bulletins, Directives and Orders;
- Applicable filing requirements including the applicable product standards set forth in the product checklists; and
- Rulings and decisions of any court of this state.

2. I understand and acknowledge that the Commissioner will rely upon this certificate and if it is subsequently determined that any form filed herewith is false or misleading, appropriate corrective action shall be taken by the commissioner against the company.

3. Pursuant to Ark. Code Ann. § 23-79-109(a)(1)(C), I understand that by certifying that a form complies with paragraph 1 hereof, it is not to be taken by the undersigned or by my company as meaning that any insurance effected by use of such form may in any fashion be inconsistent with the statutory and common law of Arkansas.

4. Pursuant to Ark. Code Ann. §23-79-118, I understand and acknowledge that any insurance policy, rider, endorsement or other insurance form filed under this certificate, that is subsequently issued to an insured, and contains any condition or provision not in compliance with the requirements of the laws of the State of Arkansas, as set forth in paragraph 1 hereof, shall be construed and applied in accordance with such condition or provision as would have applied if the policy, rider, endorsement or form had been in full compliance with the law.

Does this Certification apply to all the companies in this filing? (Yes or No) •

Yes

If "NO", to which companies does this Certification apply?

Company Name(s)	NAIC #

Company Tracking Number • BO AR0241701F01

Signature of Authorized Officer •

A handwritten signature in black ink, appearing to read "Stephen J. Corbett".

Name of Authorized Officer • Stephen J. Corbett

Title of Authorized Officer • Vice President

Email address of Authorized Officer • scorbett@munichreamerica.com

Telephone # of Authorized Officer • 609-243-5620 Ext: 5620

Date • 10-8-08

This form may be computer generated by the company. So long as the wording and general layout is the same, the format may vary. For more information, contact the Property & Casualty Division of the Arkansas Insurance Department at 1200 W 3rd St., Little Rock, AR 72201, telephone: 501-371-2800, or email: information.pnc@state.ar.us

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ARKANSAS CHANGES

This endorsement modifies insurance provided under the following:

SELF STORAGE OWNERS BUSINESSOWNERS COVERAGE FORM

A. Section I – Special Property Coverage Form is amended by the following:

1. Paragraph **E.2. Appraisal** Property Loss Condition is replaced by the following:

2. Appraisal

- a. If we and you disagree on the value of the property or the amount of loss, either party may make a written request for an appraisal of the loss. However, an appraisal will be made only if both we and you agree, voluntarily, to have the loss appraised. If so agreed, each party will select a competent and impartial appraiser. The two appraisers will select an umpire. If they cannot agree, either may request that selection be made by a judge of a court having jurisdiction. The appraisers will state separately the value of the property and amount of loss. If they fail to agree, they will submit their differences to the umpire.
- b. An appraisal decision will not be binding on either party.
- c. If there is an appraisal, we will still retain our right to deny the claim.
- d. Each party will:
 - (1) Pay its chosen appraiser; and
 - (2) Bear the other expenses of the appraisal and umpire equally.

2. The following is added to the **Transfer Of Rights Of Recovery Against Others To Us Commercial Property Condition**:

We will be entitled to recovery only after the insured has been fully compensated for the loss or damage sustained.

3. Paragraph **F.4.b. of the Legal Action Against Us Commercial Property Conditions** is replaced by the following:

- b. The action is brought within five years after the date on which the direct physical loss or damage occurred.

B. Common Policy Conditions is amended as follows:

1. Paragraph **A.5. Cancellation** is replaced by the following:

5. Premium Refund

- a. If this policy is cancelled, we will send the first Named Insured any premium refund due.
- b. We will refund the pro rata unearned premium if the policy is:
 - (1) Cancelled by us or at our request;
 - (2) Cancelled but rewritten with us or in our company group;
 - (3) Cancelled because you no longer have an insurable interest in the property or business operation that is the subject of this insurance; or
 - (4) Cancelled after the first year of a prepaid policy that was written for a term of more than one year.
- c. If the policy is cancelled at the request of the first Named Insured, other than a cancellation described in **b.(2), (3) or (4)** above, we will refund 90% of the pro rata unearned premium. However, the refund will be less than 90% of the pro rata unearned premium if the refund of such amount would reduce the premium retained by us to an amount less than the minimum premium for this policy.
- d. The cancellation will be effective even if we have not made or offered a refund.
- e. If the first Named Insured cancels the policy, we will retain no less than \$100 of the premium.

2. The following is added to Paragraph **A. Cancellation**:

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7. Cancellation Of Policies In Effect More Than 60 Days

a. If this policy has been in effect more than 60 days or is a renewal policy, we may cancel only for one or more of the following reasons:

- (1) Nonpayment of premium;
- (2) Fraud or material misrepresentation made by you or with your knowledge in obtaining the policy, continuing the policy or in presenting a claim under the policy;
- (3) The occurrence of a material change in the risk which substantially increases any hazard insured against after policy issuance;
- (4) Violation of any local fire, health, safety, building or construction regulation or ordinance with respect to any insured property or its occupancy which substantially increases any hazard insured against under the policy;
- (5) Nonpayment of membership dues in those cases where our by-laws, agreements or other legal instruments require payment as a condition of the issuance and maintenance of the policy; or
- (6) A material violation of a material provision of the policy.

b. If we cancel for:

- (1) Nonpayment of premium, we will mail or deliver written notice of cancellation, stating the reason for cancellation, to the first Named Insured and any lienholder or loss payee named in the policy at least 10 days before the effective date of cancellation.
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3. The following paragraph is added and supersedes any other provision to the contrary:

NONRENEWAL

1. If we decide not to renew this policy, we will mail to the first Named Insured shown in the Declarations written notice of nonrenewal at least 60 days before:

- a. Its expiration date; or
- b. Its anniversary date, if it is a policy written for a term of more than one year and with no fixed expiration date.

However, we are not required to send this notice if nonrenewal is due to your failure to pay any premium required for renewal.

2. We will mail our notice to the first Named Insured's mailing address last known to us. If notice is mailed, proof of mailing will be sufficient proof of notice.

4. The following paragraph is added:

MULTI-YEAR POLICIES

We may issue this policy for a term in excess of twelve months with the premium adjusted on an annual basis in accordance with our rates and rules.